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CITY OF SANTA ANA

CITY MANAGER'S OFFICE

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June 23, 1978

MEMO TO: City Council
FROM: City Manager
SUBJECT: SUPPLEMENTAL BUDGET INFORMATION

Attached is some additional information which I felt might be of interest to Council for your scheduled three-hour budget study session tomorrow. Some of this material is in response to concerns and comments expressed by Councilmen during the past two weeks of budget reviews.

The material includes the following reports:

1. Recap of Tentative Reductions in Departmental Operating Budgets
2. Potential Additional Revenues
3. Review of Potential Budget Balancing Options
4. Report on Ceta Status
5. Report on Retirement Costs
6. Potential Impact of Proposed Wage and Benefit Reductions on Police Officers
7. Departmental Responses to Council's Reduction Comments
8. Potential User Fees
9. Capital Outlay Budget Reduction Options

Respectfully,

Bruce C. Spragg
City Manager

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Attachments

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Recap of Tentative Reductions
in Departmental Operating Budgets

	<u>Percent of Operating Budget</u>	<u>Amount</u>	<u>Cumulative</u>
1. Fire	5%	\$390,000	\$390,000
2. Library	15%	235,000	625,000
3. Recreation and Parks	15%	431,000	1,056,000
4. Police	5%	692,700	1,748,700
5. Attorney	15%	75,150	1,823,850
6. Planning	5%	22,500	1,846,350
7. Public Works			
8. Maintenance - Equipment & Bldgs			
9. Finance			
10. Museum			
11. Community Relations			
12. Personnel			

NOTE: These are the tentative budget reductions for the Fire Department, Library, and Recreation and Parks Department. Following the guidelines set forth by the City Council during preliminary budget reviews, in the Fire Department, no fire investigators will be laid off, the bookmobile service will not be eliminated and in the Recreation and Parks Department, no parks will be closed.

Specific reductions from alternative activities within these departments are required in order to prepare a balanced budget, and these are now being prepared as quickly as possible and will be available prior to July 6 when the budget hearing notice must be published for the public hearing to be held on July 17.

POTENTIAL ADDITIONAL REVENUES

At this time, the potential of additional revenues is unclear and changing almost constantly. However, there appears to be three major sources: carryover balances, revised revenue estimates for next year, and state surplus.

1. Carryover Balances: The actual carryover balance available for use next year represents a combination of actual revenues and expenditures in excess of estimates for the current fiscal year. However, since the current fiscal year does not end until June 30, it is not possible to calculate these amounts accurately until approximately July 10. The estimated carryover balance in the proposed budget for next year was \$3,500,000. In addition, the Finance Director is now projecting an additional \$1,200,000 in carryover revenues from the following sources:

Sales Tax	\$ 590,000
Motor Vehicle License	280,000
Cigarette Tax	60,000
Documentary Stamp Tax	60,000
<u>Earnings on Investments</u>	<u>210,000</u>
TOTAL	\$1,200,000

2. Revised Revenue Estimates: There is considerable risk in overestimating potential revenues when the rate of inflation and local economic outlook can change so quickly. However, after reviewing the major revenue estimates for next year, the Finance Director suggests the following possible revisions:

Source	Original Estimate	Revised Estimate	Increase
Sales Tax	\$12,100,00	\$12,600,00	\$500,000
Motor Vehicle License	2,300,000	2,410,000	110,000
TOTAL	\$14,400,000	\$15,010,000	\$610,000

3. State Surplus: The latest available information is that Santa Ana could receive \$2,500,000 from the State's surplus funds. At the moment, this is still an unconfirmed amount. In addition, there apparently will be "strings" attached by the State which could include restrictions against salary increases, mandated use of contingency funds and carryover balances, etc. Hopefully, some of these uncertainties may be at least partially clarified by the time of Council's meeting on Saturday, June 24.

4. Recap of potential additional revenues:

Carryover Balances	\$1,200,000
Revised Revenue Estimates	610,000
<u>State Surplus Funds</u>	<u>2,500,000</u>
TOTAL	\$4,310,000

REVIEW OF BUDGET BALANCING OPTIONSMINIMUM AMOUNT OF REDUCTION NEEDED: \$7,667,000OPTION #1

	<u>Amount</u>	<u>Cumulative</u>
1. Reductions in departmental operating budgets	\$2,500,000	\$2,500,000
2. Use of unallocated contingency funds	1,500,000	4,000,000
3. Salary and benefit reductions	3,448,600	7,448,600
4. Additional user fees and revenues	438,000	7,886,600

OPTION #2

1. Reductions in departmental operating budgets	\$2,500,000	\$2,500,000
2. Use of unallocated contingency funds	1,607,000	4,107,000
3. Salary freeze for fiscal year 1978-79	1,200,000	5,307,000
4. Use of additional carryover balances	1,200,000	6,507,000
5. Revised revenue estimates	610,000	7,117,000
6. Additional user fees and revenues	550,000	7,667,000

OPTION #3

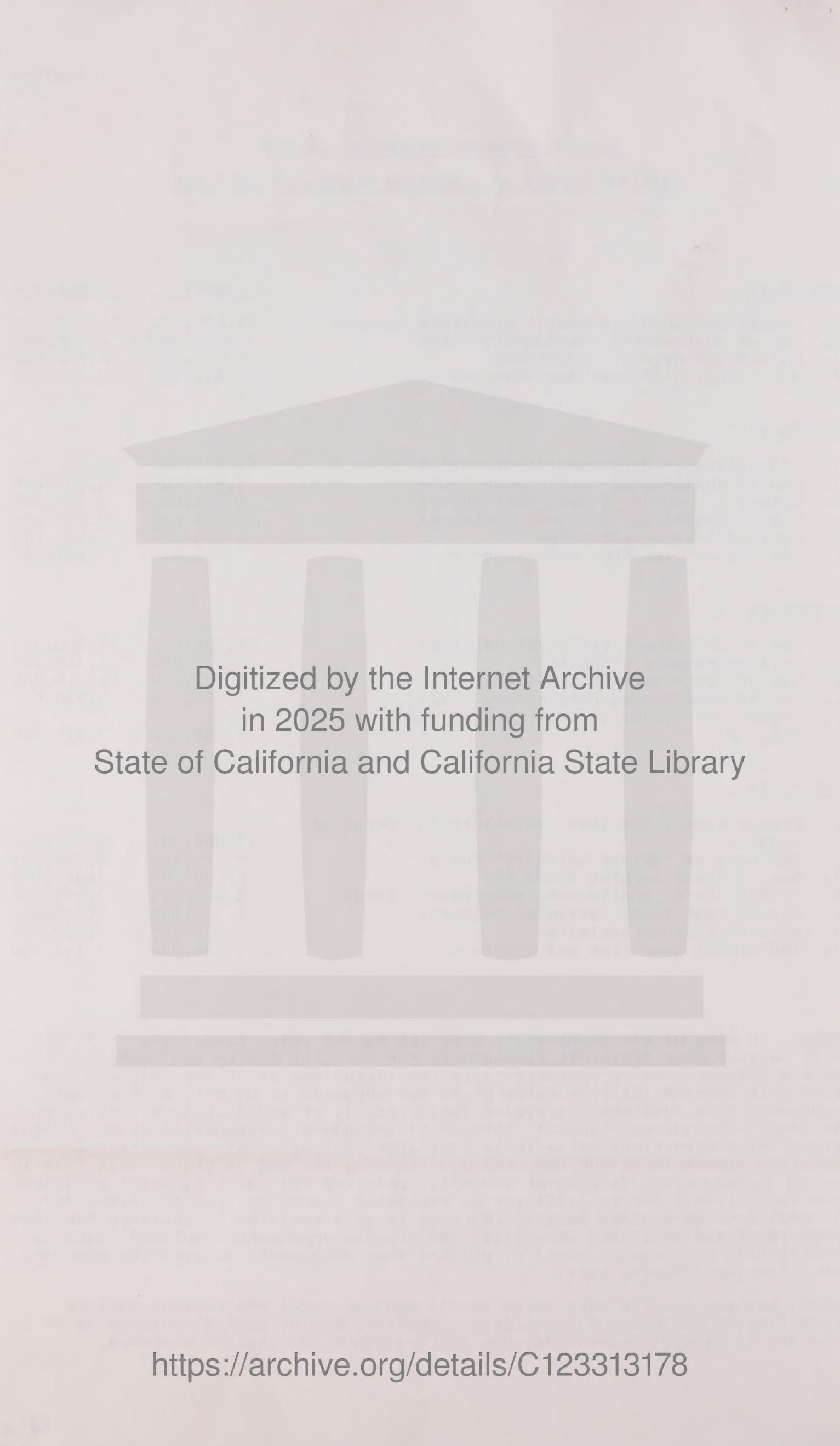
1. Use of additional carryover balances	\$1,200,000	\$1,200,000
2. Revised revenue estimates	610,000	1,810,000
3. Use of State surplus funds (?)	2,500,000	4,310,000
4. Use of unallocated contingency funds	1,500,000	5,810,000
5. Lesser reductions in departmental operating budgets	2,000,000	7,810,000

OPTION #4

1. Approximately 50% less reductions in operating budgets	\$1,360,000	\$1,360,000
2. Use half of "salary increase" funds	600,000	1,960,000
3. Use of State surplus funds (?)	2,500,000	4,460,000
4. Lesser use of unallocated contingency funds	1,000,000	5,560,000
5. Use of additional carryover balances	1,200,000	6,760,000
6. Revised revenue estimates	610,000	7,370,000
7. Additional user fees and revenues	438,000	7,808,000

NOTE: In view of the probability that the second year (fiscal year 1979-80) will be much more difficult financially for the City due to the combination of both a greater loss in property taxes (estimated now at \$8,100,000) and less available revenue (State surplus funds are supposed to be only a "one shot" approach, less available carryover funds, etc.), it would be highly advisable to adopt a "reducing stance." This could include a continuation of the hiring freeze with exemptions on an individual approval basis only and a "target" position reduction of 200 budgeted positions by the end of fiscal year 1978-79 (this includes the 76 current vacancies reducing the total budgeted permanent positions from 1,259 to 1,059 for an estimated yearly savings of \$4,600,000). In addition, percentage budget reduction targets could be established for each department and monitored quarterly, new program approaches explored (such as contracting for more services by placing some components of existing programs on a "project" basis, etc.).

Also, perhaps for the next three to six months, until the revenue outlook clarifies, Council should consider a temporary and/or partial moratorium on the use of Federal General Revenue Sharing Funds for capital purposes.



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CETA PROGRAM ASSESSMENT

I. Program Overview

The Comprehensive Employment and Training Act has provided funds for manpower services and program administration to the City of Santa Ana since 1974. The Department of Labor, through the Orange County Manpower Commission, is the ultimate authority on CETA qualifications, maintenance of effort clauses, title definitions and other federal requirements. The Federal Government pays for the entire cost of the program unless participants are paid above the \$10,000 salary limit established in the Act.

The City of Santa Ana has 497 authorized CETA positions. Of these, 341 are employed in City departments. The remaining positions are subcontracted to non-profit agencies serving the community. It is the intent of the City's Public Service Employment Program to 1) increase the amount of funds subcontracted to non-profit agencies, and 2) reduce the City's dependence on CETA participants to perform essential services. Progress toward these objectives has been accomplished through the City Council's limitation on the length of CETA employment (18 months) and the amount of CETA salary (\$833 per month). Of the 341 positions presently allotted to City departments, 82 are employed under Title II, 133 under Title VI and 138 under Title VI - Special Projects.

II. Title Definitions and Programs

Title II funds provide employment for residents of the City who have been unemployed for at least 30 days or underemployed in areas of substantial unemployment. During fiscal year 1977-78, the City of Santa Ana received \$946,771 for Title II employment. During the year, 19% of these funds were used for subcontracted employment and 81% for employment within City departments. The majority of the City's 82 Title II participants fill positions within the departments of Community Relations, Library, and Recreation and Parks. These positions include staff/administrative aides, clerical/typist support, community center outreach assistants and grounds maintenance workers.

Title VI funds provide jobs and training for unemployed persons in areas of high unemployment. During fiscal year 1977-78, the City received \$3,973,006 for positions within this Title. Under Title VI, departments employ typist clerks, community outreach aides, equipment operators, basic laborers, recreation aides and Public Service Officers. The departments of Fire, Police, Museum, Recreation and Parks, and Public Works employ the majority of 133 Title VI participants.

Title VI - Special Projects provides additional public service jobs for unemployed persons in specially designed programs in areas of high unemployment. During fiscal year 1977-78, the City received \$2,748,816 for positions under this Title. Half of these funds were allotted to non-profit agencies. The remaining half is being utilized by City departments on special projects employing ecology crew workers, clerks, maintenance equipment operators, custodians, mobile museum assistants, clerical service aides and grounds maintenance aides. The majority of the City's 138 Special Project employees fill positions within the departments of Police, Fire, Recreation and Parks, Redevelopment and Bowers Museum.

III. Program Impact on Departments

Based on available Manpower data and individual departmental assessments, it appears that certain municipal functions in the City have become dependent on CETA personnel to maintain basic operations.

While departments recognize that this is contrary to the intent of the federal program, certain conditions have aided this dependency. These include: 1) a shortage of staff and field employment in several departments; 2) numerous unfilled positions intensified by the present hiring freeze; 3) a lack of staff time and facilities needed to train CETA employees for jobs which they were hired to fill.

A loss of CETA personnel would affect the efficiency and productivity of several City departments. The Bowers Museum utilizes 34 CETA positions to handle exhibits and provide the majority of the department's clerical support. Loss of CETA positions would mean the termination of the CSO program, PSO program, and equipment mechanic backup for the City's fleet. The loss of Title II positions would reduce a significant portion of the manpower available for administrative backup, the community centers program, and library book classification and shelving.

According to departmental interviews, the administrative costs of training and maintaining paperwork on CETA personnel amounts to less than 1% of operating cost. A CETA employee in the Finance Department is specifically responsible for CETA paperwork. A CETA employee in the Recreation and Parks Department handles the CETA payroll and related administrative responsibilities for the program. A pronounced majority of the department heads feel that the program more than pays its way in terms of projects completed, operational maintenance, and administrative support provided by participants with some job skills. The majority of departmental problems with morale, lack of job productivity and employee tardiness relate to those areas where unskilled field employees are utilized.

VI. Reducing Dependency on CETA

The City's Manpower staff is currently accelerating its efforts to reduce departmental dependency on CETA to perform ongoing municipal functions. Efforts are being made to subcontract more of the City's CETA funds to non-profit agencies and to develop short term special projects with definite beginning and ending dates. The major problems in reducing CETA dependency at the present time appear to be: 1) workload repercussions on departments which, due to staff reductions, find CETA personnel essential, and 2) the elimination of community programs and services which, though unnecessary to basic departmental operations, may be viewed by residents of the community as essential.

MEMORANDUM

To: _____
From: _____
Subject: _____

City Council

VIA City Manager

FINANCE



Date: June 23, 1978

CONSIDERATION OF EXTENSION OF TIME FOR PRIOR SERVICE COSTS OF RETIREMENT PLAN

The City Council is currently considering a resolution that will authorize P.E.R.S. to extend the funding period expiration date for prior service liabilities from July 1, 1979, to a new date of July 1, 1985. This is necessary in order to fund \$1,184,379. of prior service liabilities over a longer period of time, rather than over the next (2) fiscal years as presently provided for in the contract. This cost is submitted as follows:

1978-79	Public Safety employees	\$ 524,819
	Miscellaneous employees	329,780
		<u>\$ 854,599</u>
1979-80	Miscellaneous employees	329,780
	Total	<u>\$1,184,379</u>

The contribution rate would then drop from:

Public Safety	28.102%	to	23.464%	(4.638%)
Miscellaneous	15.079%	to	12.134%	(2.945%)

In accordance with the P.E.R.S. contract, the City has two choices at this time:

1. Pay the entire unfunded liability over two years, as noted above.
2. Authorize an extension of the time period to provide, for a levelling of the cost on an annual basis to 1985.

P.E.R.S. advises that the above rate changes are effective July 1, 1978 unless the City chooses to extend the funding period over a longer time-frame to 1985. According to P.E.R.S. Government Code section 20453 the City is legally required to pay the rates called for by the Retirement Board and if the City does not decide to extend the time period for payment, the rates applicable for the shorter-funding period will take effect automatically July 1. If the City decides not to pay in accordance with the new rates, the Retirement Board will notify the City of the contract deficiency and proceed to cut-benefits to correspond in the event a settlement method is not reached. This would result in a legal hassle between Charter, employee groups, and the P.E.R.S.. By copy of this memorandum I am requesting the City Attorney to research and advise on this problem as quickly as possible to accommodate present time-frame.

As you are aware, salary increases have edged-up quite rapidly in recent years. Along with this P.E.R.S. in 1975 made some assumptions that salaries would probably increase 5% per year after the first 5 years in the system, which was calculated at 10% per year. On this basis miscellaneous and public safety rates were adjusted 1% and 1½% annually to provide proper funding. Before 1975 P.E.R.S. assumed a 9% annual adjustment for the first five years and 4% thereafter. Their 1975 assumptions however, did not take into consideration the prior service liabilities and the recently negotiated military service coverage. P.E.R.S. advises approximately 50% of the unfunded liability is for the military service coverage added in 1975.

You are also aware that unfunded liabilities are big issues in several cities. I feel all actuaries and retirement systems are taking a good look at the individual plans to provide assurances that unfunded liabilities are minimized. By the same token it may be advisable to have the City's plan looked at by another actuary for an evaluation of assumptions; benefits; economics of the future; planning for minimizing retirement costs', impact of inflation etc.

At the present time, if you do not authorize the resolution to spread the cost to 1985; and do not provide the appropriations to pay the unfunded liability over the ensuing 2 years, the third option of not acting on either choice will be in effect. As a result, the City will continue to pay with funds budgeted and P.E.R.S. will have a client not in conformance at 7-1-78 with their quoted and called-for contribution rates. Kisuk Yang, Chief actuary, tells me the Board will be unable to accept an indefinite time table for settlement under the contract, however they would consider extending the settlement date beyond 1985.

LMS:ew

Attachment I Charter Section 1400
Attachment II 20-Year Cost History
Attachment III Questions
Attachment IV Other Agencies

Sec. 1014. Work stoppages.

Any officer or employee of the City who engages in any strike, sickout, or other partial or total stoppage of work shall be summarily subject to suspension, demotion or dismissal by the appointing authority without right of appeal to the Personnel Board.

Sec. 1400. Employees' retirement system.

Plenary authority and power are hereby vested in the City, its City Council, and its several officers, agents, and employees to do and perform any act or exercise any authority granted, permitted, or required under the provisions of the State Employees' Retirement Law, as it now exists or may hereafter be amended, to enable said City to continue as a Contracting City participating in the state retirement system. The City Council is directed to levy all necessary taxes to insure the continuance of the City as a contracting member of the State Employees' Retirement System in accordance with the provisions of Section 604 of this Charter.

(a) Duty to Provide Retirement System.

Except as hereinafter otherwise provided, the Council shall provide, by ordinance or ordinances, for the creation, establishment and maintenance of a retirement plan or plans for all officers and employees of the City. Such plan or plans need not be the same for all officers and employees. Subject to other provisions of this Article, the Council may at any time, or from time to time, amend or otherwise change any retirement plan or plans or adopt or establish a new or different plan or plans for all or any officers or employees.

(b) Authority to Join Other Systems.

Subject to other provisions of this Article, the City, by and through its Council, is hereby empowered, but not required, to join or continue as a contracting agency in any retirement or pension system or systems existing or hereafter created under the laws of the State of California or of the United States of America to which municipalities and municipal officers or employees are eligible for membership.

The City Council may not terminate any such contract with the Board of Administration of the State Employees' Retirement System and may not amend any such contract in a manner which would decrease or eliminate any benefit accruing to personnel employed by the City at the time of such

contract termination or amendment, unless such amendment shall substitute an equal or greater benefit for said employees, unless the proposition for such contract termination or amendment shall be approved by ordinance adopted by a two thirds (2/3) vote of the electors of the City voting on such proposition at a general or special municipal election.

(c) Continuance of Existing Retirement System.

Until otherwise provided by ordinance, the City shall continue to participate in the Public Employees' Retirement System of the State of California, as the same now exists or may hereafter be amended. The City Council may not terminate any such contract with the Public Employees' Retirement System of the State of California, and may not amend any such contract in a manner which would decrease or eliminate any benefit accruing to persons employed by the City at the time of such contract termination or amendment, unless such amendment shall substitute a retirement system or systems providing equal or greater benefits for said persons.

(d) Exclusions.

The Council in its discretion may exclude all or any of the following persons from any or all retirement plans, to wit:

Persons mentioned in subsections (b) 1, 6, 7, 8, 9, 10, 11, and 13 of Section 1002 of this Charter;

Persons in City service primarily for training, study or educational purposes;

Persons employed or paid on a part-time, per diem, per hour or any basis other than a monthly basis.

20-YEAR HISTORY OF COST

YEAR	COST COMBINED		COST MISCELLANEOUS		COST PUBLIC SAFETY		TOTAL COST
		% RATE		% RATE		% RATE	
1960-61	\$ 398,808	12.226	\$		\$		\$ 398,808
1961-62	462,703	11.842					462,703
1962-63	503,521	11.842					503,521
1963-64	446,224	9.232					446,224
1964-65	486,472	9.382					486,472
1965-66	528,502	9.399					528,502
1966-67	563,506	9.399					563,506
1967-68			273,973	8.109	345,848	10.931	619,822
1968-69			299,469	8.109	382,632	10.931	682,102
1969-70			340,726	8.374	439,098	11.192	779,825
1970-71			394,534	8.374	512,928	11.192	907,462
1971-72			459,103	8.810	561,679	11.480	1,020,783
1972-73			534,929	9.380	613,933	11.178	1,148,863
1973-74			633,850	9.40/12-03	769,617	11.178/23-629	1,403,467
1974-75			998,453	12.030	1,763,555	24.565	2,762,008
1975-76			1,191,987	12.030	2,136,746	24.565	3,328,734
1976-77			1,150,017	13.030	2,409,202	23.452	3,559,220
1977-78			1,205,791	10.426	2,593,515	23.445	3,799,307

The above history reflects the various rates and costs of employees retirement program. Periodically, P.E.R.S. makes an actuarial study, and, or analysis and restatement of assumptions to provide the income to adequately fund the program. Whether or not P.E.R.S. is costing us too much, the sufficiency or deficiency of their assumptions for funding can not be addressed in the short-time available. Possibly, the overview and required analysis can be submitted to an actuarial consultant for a report of advantages, disadvantages, and alternatives to contractual relationships with P.E.R.S.

Ward:

(1) Why is cost so much higher than what we budget for?

A. The preliminary budget was put together based upon rates and data that was not available to us until P.E.R.S. advised of the change. The change and the subject resolution has since been the subject of discussion.

(2) What did we actually budget for retirement?

A. \$3.9 million.

Bricken:

(1) How did we get into it?

A. This system came into existence by initiative petition of the people. (Ref: attached Charter sections) Over the years certain modifications and adjustments in benefits have been provided.

(2) Can we get out of it? Can we partially get out in the sense that people being hired from now on be in a different System.

A. City Attorney requested to provide recommendations.

(3) What are we to expect in the future if we are off by \$800,000?

A. The City's contribution rate will continue to vary from year to year based on its own experience. The city's retirement fund is revalued periodically along with the Boards' actuarial assumptions which are the basis for rate projections. Program (benefit changes), inflation, wage policy, turnover, and age of employer groups are all factors.

(4) I want to understand why the ground rules have changed?

A. Basically, the prior service costs for miscellaneous and safety employees were to have been paid for by 1980. The Boards' most recent actuarial finding was that the prior service costs including the military service provision could not be entirely funded by the expiration date of the contract without a sizeable rate adjustment. Their option is to provide funding over a longer period of time to level the cost. The cost is not going to go away.

(5) When was the decision made to give CHP benefits to the Police Department?

A. In 1973-74 the rate change reflected the adjustment for this public safety employee benefit change. (See Attachment II)

1. City of Pasadena is joining P.E.R.S. from an individual system on all new hires - as a cost saving measure.
2. San Juan Capistrano has entered into Orange County retirement system for its employee groups. They think the County (1937) system will be the best deal for them because the Countys' track-record has been better than P.E.R.S. as to interest earnings in recent years. This should affect overall rate.
3. John Burk has arranged a meeting with County retirement officer (Mr. Bogdan), Don Bott and Larry Shaffer for the first part of August to outline the procedure necessary to actuarily determine the opportunities, cost comparisons, and all factors necessary to develop a recommendation for the City of Santa Ana.
4. Trinity County has a private plan - unable to find other private plan agencies at this time. For the most part, a private annuity or insurance plan is not comparable because of the differences in benefits provided and the profit feature. It may be possible to develop an R.F.P. to solicit response from private companies.
5. Irvine has a self-administered plan apparently designed for the private sector, no reciprocity and totally vested to the employer after 10 years.

JJB
6-23-78

POTENTIAL IMPACT OF PROPOSED COMPENSATION REDUCTIONS ON
AVERAGE ANNUAL TOTAL COMPENSATION OF POLICE SERIES CLASSIFICATIONS

Class Title	# Pos	Average Annual Total Compensation			PROPOSED COMPENSATION REDUCTIONS (\$Amt and Percent of Total Compensation)								TOTAL ANNUAL REDUCTION		REMAINING AVR. ANNUAL COMPENSATION			
		Base Salary	Benefits	% of Base	Total	Health Insur		Dental Insur		Assignmt Pay		Career Incent		Biling Pay	Prem. O.T. Pay	As \$ & % of Total Comp	As Percent of Base Salary	
						\$	%	\$	%	\$	%	\$	%	\$	%			
Police Chief	1	\$44,340	\$14,063	(31.7)	\$58,403	\$2,660	(4.6)	\$562	(1.0)	\$183	(.3)	---	---	---	---	\$3,405 (5.8)	5.8%	\$54,998
Police Capt	4	33,972	11,135	(32.7)	45,107	1,699	(3.8)	222	(.5)	183	(.4)	---	---	---	---	2,104 (4.7)	4.7%	43,003
Police Lieut	17	30,576	10,078	(33.0)	40,654	1,529	(3.8)	178	(.4)	148	(.4)	---	---	18 (.04)	---	1,872 (4.6)	4.6%	38,782
Police Sgt	42	23,964	11,698*	(48.8)	35,662	1,110	(3.1)	178	(.5)	148	(.4)	57 (.2)	1,987 (5.6)	6 (.02)	341 (1.0)	3,827 (10.7)	16.0%	31,835
Police Off	258	19,800	9,692*	(48.9)	29,492	832	(2.8)	---		148	(.5)	300 (1.0)	581 (2.0)	55 (.2)	500 (1.7)	2,416 (8.2)	12.2%	27,076

*Includes average overtime earnings (1977 experience) and assignment, career incentive and bilingual pay in addition to the other major fringe benefits of retirement, health insurance, dental insurance, life insurance, long term disability insurance, and workmans compensation.

Fire

DEPARTMENT PERSONNEL OR PROGRAM REDUCTION

Budget Activity/Program	No. of Positions Deleted			Budgetary Savings				Accumulated Total	Percent of Total 1978-79 Budget Request
	Vacant	Filled	Total	Vacant Positions	Filled Positions	Non-Personnel	Total		
11-321 Administration									
1 Assistant Chief	1		1	\$41,700			\$41,700		
1 Photo Lab Technician	1		2	18,350			18,350		
Overtime						\$ 500	500		
Training & Transportation						1,500	1,500		
11-322 Fire Prevention & Suppression									
1 Engineer		1	3		\$29,290		\$29,290		
1 Keypunch Operator	1		4	15,380	(transfer to Fire Safety)				
Overtime						105,000	105,000		
Training & Transportation						5,000	5,000		
11-323 Fire Safety									
3 Fire Safety Specialists I	3		7	43,490			\$43,490		
1 Typist Clerk		1	8	12,200			12,200		
Overtime						3,000	3,000		
Training & Transportation						1,300	1,300		
11-324 Fire Communications & Maint.									
3 Emergency Serv. Dispatcher II					\$2,500		\$2,500		
1 Driver Clerk	1		9	13,340	(upgrading of personnel only)		13,340		
2 Laborer II	2		11	26,750			26,750		
							\$42,590		
								\$319,300	4.1%

Fire

DEPARTMENT PERSONNEL OR PROGRAM REDUCTION

Budget Activity/Program	No. of Positions Deleted			Budgetary Savings				Accumulated Total	Percent of Total 1978-79 Budget Request
	Vacant	Filled	Total	Vacant Positions	Filled Positions	Non-Personnel	Total		
11-325 Fire Training									
1 Engineer Overtime Transportation & Travel Uniforms	1		12	\$ 27,500		\$ 500 500 500 200	\$27,500 500 500 200 \$28,700	\$348,000	4.5%
11-326 Paramedic									
Overtime Transportation & Training						40,000 2,000	\$40,000 2,000 \$42,000	\$390,000	5.0%
TOTAL	10 =	2 =	12 =	\$171,210 =====	\$59,290 =====	\$159,500 =====	\$390,000 =====	\$390,000 =====	5.0%

LIBRARY

DEPARTMENT PERSONNEL OR PROGRAM REDUCTION

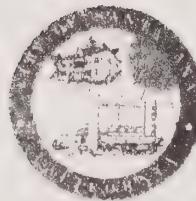
Budget Activity/Program	No. of Positions Deleted			Budgetary Savings				Percent of Total 1978-79 Budget Request
	Vacant	Filled	Total	Vacant Positions	Filled Positions	Non-Personnel	Total	
(1) Reduce Central Library service hours from 66 to 45 (21 hours)	3	2	5	\$32,000	\$28,000		\$60,000	3.82%
(2) Reduce McFadden and Newhope branch libraries to a 3 days a week schedule	3	1	4	\$38,000	\$12,000		\$50,000	3.18%
(3) Reduce Bookmobile service from 20 weekly stops to 10 to 14						\$10,000 (part-time employees)	\$10,000	.63%
(4) Discontinue Film service	1	1	2	\$15,500	\$9,500		\$25,000	1.59%
(5) Reduced work load in Technical Services section (22% reduction)	1	1	2	\$12,000	\$9,000		\$21,000	1.33%
(6) Cut acquisition of new library materials (20% reduction)						\$39,350	\$39,350	2.50%
(7) Reduce other part-time employee hours (16% reduction)						\$25,000 (part-time employees)	\$25,000	1.59%
(8) Delete reimbursement to Santiago Library System (Outreach program has been discontinued)						\$ 5,000	\$ 5,000	.31%
TOTAL	8	5	13	\$97,500	\$58,500	\$79,350	\$235,350	15%

MEMORANDUM

Bruce C. Spragg, City Manager

Date June 20, 1978

Howard Samuelson, Library Director



Contingency plan--Jarvis amendment

The Library's 1978-79 budget will be reduced by \$235,350 from \$1,569,000 to \$1,333,650. (15% reduction)

We will do this by deleting 13 library positions and reducing the library service level.

POSITIONS WHICH WILL BE DELETED:

Reference section
Library Assistant \$12,500

Reader Advisory
Library Assistant \$12,500

Film section
Library Assistant \$12,500
Library Page \$ 7,500

Circulation section
Typist Clerk I \$ 9,500
Library Page \$ 7,500

Technical Services
Typist Clerk I \$ 9,500
Library Page \$ 7,500

Boys and Girls
Library Page \$ 7,500

Newhope Branch
Librarian II \$17,500
Library Clerk I \$10,000
Typist Clerk I \$ 9,500
Library Page \$ 7,500

\$ 131,000 \$ 131,000

OTHER REDUCTIONS:

Cut acquisition of new library materials \$ 39,350

Reduce part-time hours 35,000

Delete reimbursement for Santiago Library System (Outreach program discontinued) 5,000

Decrease Central Library retirement fund 10,000

Decrease Central Library hospitalization fund 10,000

Decrease Newhope Branch retirement fund 5,000

\$ 104,350 \$ 104,350

TOTAL REDUCTION \$ 235,350

(2)

LIBRARY SERVICE CUTBACKS:

- (1) Reduce Central Library services hours from 66 to 45 (21 hours)
- (2) Reduce McFadden and Newhope Branch libraries to a 3 days a week schedule
- (3) Discontinue film service
- (4) Reduce Bookmobile service from 20 weekly stops to 10 weekly stops
- (5) Cut acquisition of new library materials (20% reduction)
- (6) Reduce part-time employee hours (25% reduction)
- (7) Delete two employees from Technical Services section due to decreased work load
(22% reduction)
- (8) Discontinue Paperbacks-By-Mail service
- (9) Reduce service hours of Santa Ana History Room from three afternoons (2 - 5 p.m.)
a week to one afternoon
- (10) Increase fee for reserve service from 15¢ to 35¢

LIBRARY HOURS

	<u>Monday</u>	<u>Tuesday</u>	<u>Wednesday</u>	<u>Thursday</u>	<u>Friday</u>	<u>Saturday</u>	<u>Sunday</u>
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CENTRAL LIBRARY

Present (66)	10-9 (11)	10-9 (11)	10-9 (11)	10-9 (11)	10-9 (11)	10-6 (8)	2-5 (3)
Proposed (45)	12-9 (9)	12-9 (9)	12-9 (9)	12-9 (9)	Closed	12-6 (6)	2-5 (3)

McFADDEN BRANCH

Present (54)	10-8 (10)	10-8 (10)	10-8 (10)	10-8 (10)	10-5 (7)	10-5 (7)	
Proposed (28)		10-8 (10)		10-8 (10)		10-6 (8)	

NEWHOPE BRANCH

Proposed (28)	10-8 (10)		10-8 (10)		10-6 (8)		
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POTENTIAL USER FEES

Paramedic Service Charge

The current fee for paramedic fees is \$50 for Santa Ana residences and \$100 for non-residences. These fees are projected to raise \$80,000 for fiscal year 1978-79. If this fee is raised to \$100 for Santa Ana residences and \$200 for non-residences, an additional \$80,000 in revenues will be raised.

The projected paramedic budget for 1978-79 is \$559,585 plus \$17,435 for capital equipment for a total of \$577,020.

Sanitation Charge

The current sanitation charge is \$.50 per month, on the water bill. If this charge is raised to \$.70 per month, it will raise an additional \$140,000. The sanitation charge is used to off-set the cost of street cleaning and sewer maintenance. The projected cost for fiscal year 1978-79 is \$367,460 for street cleaning and \$113,400 for sewer maintenance, plus \$14,360 of capital equipment for a total of \$495,220. The current sanitation charge of \$.50 brings in \$350,000 and the increase of \$.20 will bring in \$140,000 for a total of \$490,000. This would make the street cleaning and sewer maintenance functions totally supported by the sanitation charge.

Transient Occupancy Tax

If the transient occupancy tax is raised 2%, from 5% to 7%, a total increase in revenues would be \$98,000. This would tax tourist and conventioners visiting Santa Ana.

Business License Tax

A 10% increase in business license tax would produce \$81,000 in increased revenues.

Miscellaneous Fees and Services

Increases in miscellaneous fees and services will help balance the cost of service to the actual user of that service. Annually, the City reviews its miscellaneous fees and services charges. This fee schedule has been revised and a 10% increase would increase revenues by \$50,000.

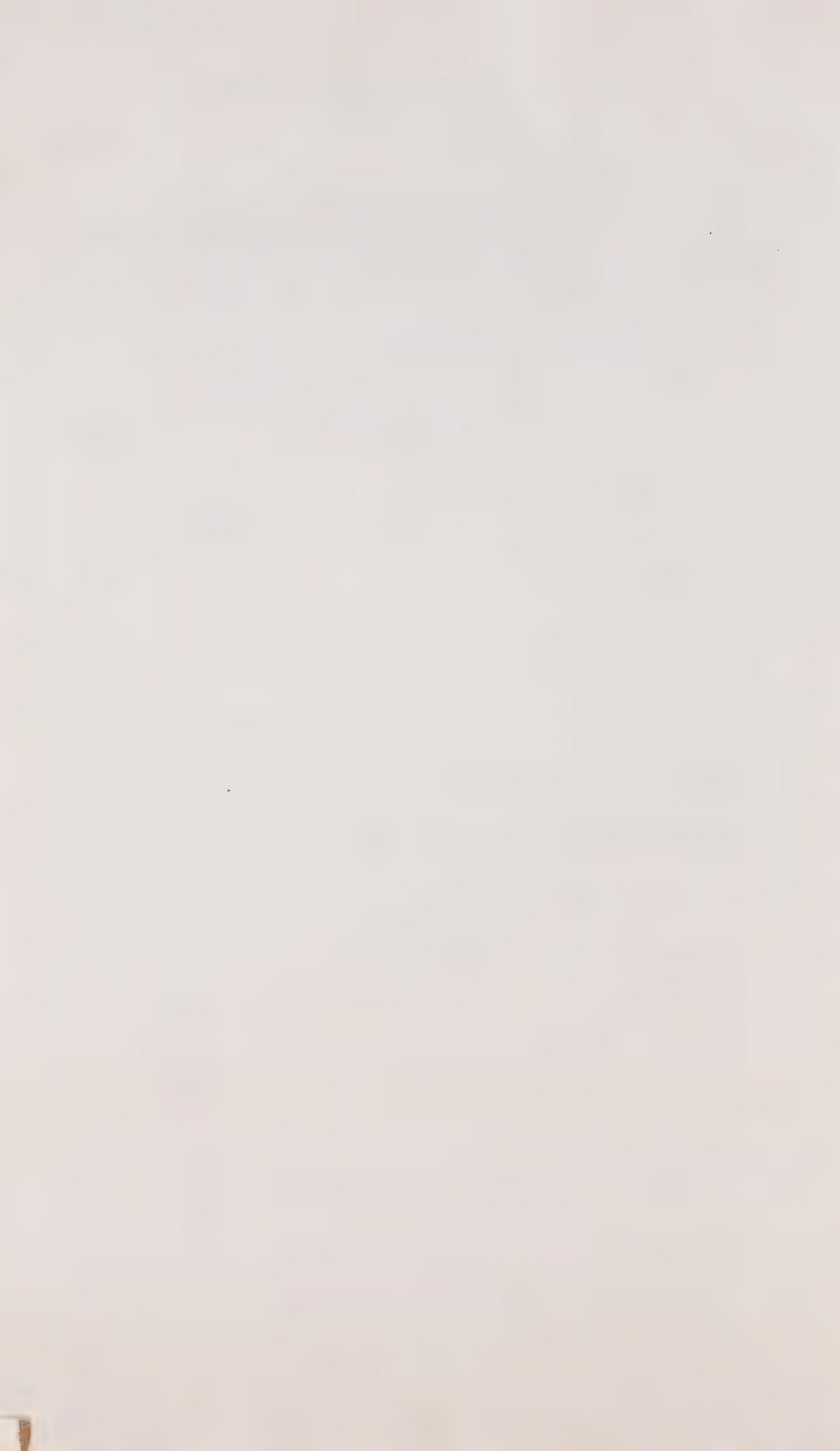
Paramedic Service Charge increase	\$ 80,000
Sanitation Charge	140,000
Transient Occupancy Tax	98,000
Business License Tax	81,000
Miscellaneous Fees and Services	<u>50,000</u>
TOTAL	<u>\$449,000</u>

CAPITAL OUTLAY BUDGET REDUCTION OPTIONS

Fiscal Year 1978-79 Capital Outlay Fund 51	\$2,465,995
State Bond Prop. II for development of Prentice Park (\$230,000) and improvements to La Bonita (\$262,225)	(\$492,225)
Federal Land/Water Grant for improvements at Centennial Park	(\$396,350)
City Hall lease purchase payments	(\$490,000)
Possible reduction in Capital Outlays for Fiscal Year 1978-79	<u>(\$761,000)</u>
Subtotal	(\$2,139,575)
TOTAL REMAINING	<u>\$326,420</u>

Possible uses for remaining revenues:

<u>Activity</u>	<u>Amount</u>
CITY ATTORNEY - Administration	
1. Miscellaneous law books	\$5,500
BUILDING MAINTENANCE	
1. Replace Police Dept. roof	10,900
2. Install new drain line to prevent flooding of Police Dept. basement	3,000
PERSONNEL - Administration	
1. Purchase reference books	200
FINANCE - Treasury Division	
1. Replacement of 1 cash posting machine	3,500
2. Purchase of 1 electric validating machine	2,550
BOWERS MUSEUM - Administration	
1. Purchase of books, records and films	1,000
RECREATION AND PARKS - Administration	
1. Purchase IBM memory typewriter	4,300
RECREATION AND PARKS - Miscellaneous Areas	
1. Purchase of tractor mounted fertilizer broadcaster	800
2. Purchase of 25 gallon water heater for pesticide applicator's use	150
FIRE - Prevention & Suppression	
1. Fire hose replacement	4,000
2. Replacement of 2 Super Vac-Smoke Ejectors	1,200
3. Replace 4 resuscitators	2,496
4. Purchase 5 first aid kits	625
FIRE - Safety Division	
1. Purchase 2 additional cars	11,000
2. Fire frequency radios for use in additional cars	3,579
FIRE - Communications	
1. Replace 2 Insta-Call recorders in Fire Dispatcher's Office	2,500
2. Purchase electrically operated status board for dispatchers to maintain control of apparatus	1,000



3.	Replacement of 20 year old vocal alarm system	19,000
4.	Replace 1 swivel type chair	100

FIRE - Training

1.	Training manuals, books and films	1,200
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FIRE - Paramedic

1.	Replace 4 adult M.A.S.T. anti-shock suits	1,280
2.	Replace 8 adult stethoscopes	240
3.	Replace 4 pediatric stethoscopes	140
4.	Replace first aid boxes	280
5.	Replace 2 pediatric M.A.S.T. anti-shock suits	600
6.	Purchase 1 Hare traction splint	250
7.	Replacement of 1 laerdal suction unit	300
8.	Replace 8 blood pressure cuffs	720
9.	Purchase 10 battery operated emergency lights	500

FIRE - Building & Equipment Maintenance

1.	Replace Squad truck as support for reducing 1 Truck Company	29,000
2.	Replacement of 2 sedan vehicles	3,760
3.	Installation of traffic control light at Station #9	5,000
4.	Repair compressed air-line	450
5.	Update breathing apparatus as required by federal legislation and replace worn out air compressor used for filling breathing apparatus bottles	45,000
6.	Purchase of 35 smoke detectors for fire stations	1,000
7.	Roof replacement	5,000

POLICE - Administration

1.	2 infrared detectors and transmitters	515
2.	Purchase of books and films	1,000

POLICE - Patrol

1.	Purchase 3 movie projectors	1,950
2.	Purchase 6 desks	1,280
3.	Purchase 7 chairs	730
4.	Purchase 3 file cabinets	450

POLICE - General Investigation

1.	Purchase 2 magnifiers	100
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POLICE - Special Investigation

1.	Purchase 1 undercover radio transmitter and receiver, 3 miniature pocket transceivers and related equipment	4,415
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POLICE - Technical Services

1.	Purchase and installation of standby air con- ditioning system for computer	22,000
2.	Purchase 4 Ektralite readers	800
3.	Purchase 1 microfiche reader/printer	1,750
4.	Purchase 1 retrix random file	495
5.	Purchase 1 file stand	90
6.	Replacement of 31 vehicles	20,000

POLICE - Crime Lab

1.	Purchase electrophoresis power supply, tem- perature controller and supplies to build one horizontal chamber for testing blood and semen stains	2,575
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BUILDING SAFETY & HOUSING - Administration

1.	Purchase of reference books	100
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PUBLIC WORKS - Administration & Engineering

1. Purchase 3 file cabinets	320
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PUBLIC WORKS - Select Streets

1. Title work on deeds and acquisition of rights-of-way	13,000
2. Matching grant funds for Euclid Ave. widening	12,750

PUBLIC WORKS - Local Streets

1. Title work on deeds and acquisition of rights-of-way	4,000
2. Halladay railroad crossing construction	3,000
3. Purchase 1 file cabinet	80

PUBLIC WORKS - Traffic Signals

1. New signals participation costs with other agencies at Sunflower and Main, Dyer and Redhill	37,900
2. Essential operational signal modifications	15,000

PUBLIC WORKS - Traffic Painting

1. Labor, material and equipment for installation of traffic control painting and devices	<u>10,000</u>
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GRAND TOTAL \$326,420

ALLOCATIONS BY DEPARTMENT

<u>Department</u>	<u>Amount</u>
1. City Attorney	\$ 5,500
2. Building Maintenance	13,900
3. Personnel	200
4. Finance	6,050
5. Bowers Museum	1,000
6. Recreation & Parks	5,250
7. Fire	140,220
8. Police	58,150
9. Building Safety & Housing	100
10. Public Works	96,050

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